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Fishery Products

Annual Report - EU Policy & Statistics

2005

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Report Highlights:
This report gives an overview of the current situation in the EU fishery sector, provides information on the EU's import policy and statistical data on EU fish catches, aquaculture and imports and exports.

Includes PSD Changes: No
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EXECUTIVE SUMMARY

The Commission's proposal to rebuild depleted fish stocks by closing certain areas for fisheries and severely cut the Total Allowable Catch (TACs) and fishing effort was, just like last year, met with deep hostility by the fishery sector. At the December 2004 Fisheries Council, a compromise agreement was reached when EU Fisheries Ministers agreed to less severe quota cuts and rejected the proposal to establish closed areas. Overall, the quota levels set by the Council resulted in a reduction of 10 percent on average.

The U.S.' seafood inspection system was audited by an EU inspection team in the summer of 2003. The inspection was carried out in the context of the Veterinary Equivalency Agreement that the EU concluded with the U.S. In November 2004, the EU published its final report on the inspection mission. The U.S. has submitted comments on the inspection team's findings, however, and some areas of discrepancies still remain between the two sides.

In April 2004, the EU adopted the so-called "hygiene package", a new set of rules that aims to merge, harmonize and simplify existing hygiene requirements. The overall aim is to create a single hygiene regime covering food and food operators in all sectors. General hygiene rules are laid down for the production of all food, while specific rules are laid down for the production of fishery products and bivalve mollusks. The new rules will enter into force on January 1, 2006, except for Directive 2002/99/EC setting out the general principles for certification which entered into force on January 1, 2005. General traceability also became mandatory on January 1, 2005. Although the regulation on traceability does not apply to third countries, EU importers must comply.

As the EU has to rely more and more on imports from third countries for its processing industry, 80 percent of total EU fish imports were non-processed fishery products. Fish fillets and other fish meat are the main imported fishery products and represent 22 percent of total EU fish imports. In this category, ten percent came from the U.S.

SECTION I: SITUATION AND OUTLOOK

PRODUCTION – GENERAL

EU Fish Catches

In 2002, the EU-15 reported catches of 5.7 million MT of fish and fishery products, a decrease of 8 percent compared to 2001. Twenty-five percent of total EU catches was by Denmark, followed by Spain (15%), France and U.K. (both 12%). Fish catches in 2002 decreased in most member states except in Germany, Greece, France and Portugal. Three quarters of EU catches originate in the Northeast Atlantic. The main species are sandeels, Atlantic herring, mackerel and sprat, mainly intended for the processing industry. As a result of the critical condition of certain fish stocks and the EU's reduced catch limits, catches of sole (-17%), plaice (-15%) and cod (-19%) decreased again in 2005.

Table 1: Nominal fish catches by the EU-15, 1999-2002, in 1,000 MT live weight				
	1999	**2000**	**2001**	**2002**
Belgium	30	30	30	29
Denmark	1 405	1 534	1 510	1 442
Germany	239	205	211	224
Greece	119	99	94	96
Spain	1 188	995	1 099	883
Finland	145	156	150	145
France	676	690	672	699
Ireland	284	283	392	282
Italy	294	300	312	270
Netherlands	515	496	518	464
Austria	0	1	0	0
Portugal	209	188	192	202
Sweden	352	339	312	295
U.K.	838	746	741	690
Total EU-15	**6 292**	**6 062**	**6 236**	**5 722**

Source: Eurostat

Table 2: Distribution of EU catches by fishing zones, 2001-2002, in 1,000 MT live weight		
	2001	**2002**
Northwest Atlantic	57	56
Northeast Atlantic	4 659	4 274
Eastern Central	472	406
Mediterranean & Black Sea	563	504
Southwest Atlantic	118	48
Southeast Atlantic	22	9
Indian Ocean, West	203	280
Inland waters	85	85
Total	**6 236**	**5 722**

Source: Eurostat

Table 3: Catches of principal species by the EU, 2001-2002, in 1000 MT live weight		
	2001	**2002**
Common sole	40	33
European plaice	102	87
Cod	170	138
Norway pout	64	78
Haddock	64	76
Blue whiting	288	215
Whiting	46	41
European hake	49	57
Ling	18	20
Saithe	60	67
Sandeel	719	723
Atlantic redfish	36	32
Angler	46	20
Atlantic horse mackerel	239	135

Atlantic herring	617	552
European pilchard	244	248
European anchovy	126	103
European sprat	368	342
Skipjack tuna	177	217
Yellowfin tuna	156	160
Albacore	25	26
Swordfish	24	27
Atlantic mackerel	423	442
Norway lobster	54	55
Edible crab	24	37
Common shrimps	32	33
Blue mussel	146	127
Mediterranean mussel	44	46
Striped venus	41	30
sub-total	4 442	4 134
all others	1 794	1 588
Total catches	**6 236**	**5 722**

Source: Eurostat

Aquaculture

In 2002, the EU-15 produced 1.2 million MT of fishery products from aquaculture. The significance of aquaculture production varies among the member states. Main producing member states are Spain (263 762 MT), France (249 734 MT), Italy (183 962 MT) and U.K. (179 036 MT). EU aquaculture comprises three main activities: sea fish farming, marine shellfish farming and fish farming in fresh water. Main species produced in the EU are Blue and Mediterranean mussel, rainbow trout, salmon and oyster.

AQUACULTURE PRODUCTION BY MEMBER STATE – CY 2002 (Metric Tons)	
Belgium	1 600
Denmark	32 026
Germany	49 852
Greece	87 928
Spain	263 762
France	249 734
Ireland	62 568
Italy	183 962
Netherlands	54 442
Austria	2 333
Portugal	8 437
Finland	15 132
Sweden	5 618
United Kingdom	179 036
Total EU-15	1 196 430

Source: Eurostat

Aquaculture projects can receive both EU and national financial support. The EU is giving priority to financially support the development of techniques that substantially reduce the impact of aquaculture on the environment, the improvement of traditional aquaculture activities that are important in maintaining employment in specific areas, the modernization of existing enterprises, the compliance with the EU's hygiene and health standards and the diversification of farmed species. Five percent of total EU aid to the fisheries sector goes to aquaculture.

EU AND NATIONAL FINANCIAL AID TO AQUACULTURE DISTRIBUTION BY MEMBER STATE - 2000-2006 FINANCIAL PERIOD		
Member State	**EU Aid (1,000 eur)**	**National Aid (1,000 eur)**
Belgium	2 780	3 400
Denmark	10 600	3 500
Germany	30 616	8 760
Greece	36 738	16 930
Spain	123 020	59 920
France	18 799	13 000
Ireland	25 680	5 010
Italy	8 880	14 880
Netherlands	540	900
Austria	2 230	3 200
Portugal	8 480	2 800
Finland	3 000	5 200
Sweden	4 000	1 330
U.K.	14 827	2 570
TOTAL EU-15	**290 190**	**141 400**

Source: European Commission

ENLARGEMENT

On May 1, 2004, 10 new member states joined the EU, bringing the number of EU coastal states from 13 to 20. With the accession of the 10 new states, EU waters now extend even further into the Baltic (the Baltic Sea becoming almost exclusively EU waters) and into the Mediterranean. It also increases the size of the EU's aquaculture industry. The new member states will also receive EU financial aid for their fisheries and aquaculture sector. Total allocation for the new member states amounts to EUR 272 million for the period May 1, 2004 to December 31, 2006 (ref. GAIN report E34007 "New EU Member States").

EU Financial Aid (May 1, 2004 – December 31, 2006) – in million EUR	
Cyprus	3.41
Czech Republic	7.25
Estonia	12.46
Hungary	4.38
Latvia	24.33
Lithuania	12.11
Malta	2.83
Poland	201.83
Slovak Republic	1.82
Slovenia	1.78

Source: European Commission

Aquaculture Production (tons live weight) - 2002	
Cyprus	1 862
Czech Republic	19 210
Estonia	257
Hungary	11 574

Latvia	430
Lithuania	1 750
Malta	1 116
Poland	32 709
Slovak Republic	829
Slovenia	1 290

Source: Eurostat

Catches (tons live weight) – 2002	
Estonia	102 360
Latvia	113 677
Lithuania	150 146
Poland	222 439

Source: Eurostat

PRODUCTION POLICY

COMMON FISHERIES POLICY (CFP)

New measures adopted in the context of the 2002 reform of the EU's Common Fisheries Policy (CFP) entered into force on January 1, 2003 (ref. GAIN reports E23007 and 24009). The key features of the new CFP are:

- A conservation policy for the management of fisheries resources and the activities of the EU fishing fleet.

- A control policy aiming for strengthened and harmonized enforcement of the rules through intensified cooperation among member states.

- A structural policy providing financial aid to the fishing industry.

- An external policy allowing the management of fisheries resources beyond EU waters.

- Increased involvement of fishermen and other stakeholders in managing the CFP and in the decision-making process.

So far, one stakeholder-led Advisory Council, i.e. the North Sea Regional Advisory Council (NSRAC), has been created. In addition to the NSRAC, six more are to be created for the following areas or stocks: Baltic Sea, Mediterranean Sea, North-western waters, South-western waters, pelagic stocks (blue whiting, mackerel, horse mackerel and herring) in all areas and distant water fisheries.

2005 FISH QUOTAS: "THE PROPOSAL"

In November 2004, the European Commission tabled a proposal on fixing fishing possibilities for 2005. According to new Fisheries Commissioner Joe Borg, the objective of the proposed measures is to rebuild severely depleted stocks while maintaining, as far as possible, the economic activities of the fleets concerned. The International Council for the Exploration of the Sea's (ICES) latest report, endorsed by the Commission's own Scientific, Technical and Economic Committee on Fisheries (STECF), confirmed once again that most stocks of demersal fish and some stocks of pelagic fish are over-exploited and are outside safe biological limits. The Commission's proposal took account of ICES' scientific advice and includes further restrictions on fishing effort and the closure of certain areas for cod fishing.

For the most depleted stocks, the Commission proposed:

- Stocks subject to recovery plans: cod in the North Sea, Kattegat, Skagerrak, eastern Channel, west of Scotland, Irish Sea – increased restrictions on fishing effort mainly through the establishment of closed areas.

- Stocks for which recovery plans are being established: southern hake, Iberian-Atlantic lobster, Bay of Biscay and western Channel sole, eastern Baltic cod and North Sea plaice – adapted TACs and associated measures in anticipation of recovery or management plans.

- Stocks in mixed fisheries, such as haddock and whiting in the North Sea and west of Scotland (caught with cod) or sole (plaice) – restrictions to protect the associated depleted stocks.

For deep-sea species, the Commission proposed to reduce the quotas and fishing effort for 2005 and 2006 in fisheries that have been regulated for the past two years. It also proposed to limit effort and catches in fisheries such as deep-sea shark that are not yet regulated. Catches would be cut by 50% in species as advised by scientists and by 30% where substantial but unspecified cuts were advised.

OUTCOME OF THE DECEMBER 2004 FISHERIES COUNCIL

The Commission's proposal was met with deep hostility by the fishery sector in several member states while environmentalists had similar feelings for the compromise agreement that was reached at the December 2004 Council. The original proposal to close certain areas in the North Sea was abandoned in the final deal when EU Fisheries Ministers agreed to less severe quota cuts and restrictions. The compromise agreement was adopted almost unanimously. Lithuania was the only member state that voted against while Greece abstained. In a statement the World Wide Fund for Nature (WWF) strongly criticized the EU Fisheries Council's decisions rejecting, for at least the second year, measures to save dwindling stocks and ignoring scientific advice from ICES. Greenpeace stated that the decisions would contribute nothing toward the urgent protection of cod, plaice and sole.

Total Allowable Catches (TACS): "The Final Deal"

Overall, the quota levels set by the Fisheries Council result in a reduction of 10% on average.

Bay of Biscay: The TAC for anchovy in the Bay of Biscay was reduced by only 10% and not 85% as originally proposed. The Council and the Commission agreed to set up a long-term management plan for the sustainable exploitation of anchovy.

Baltic Sea: The TAC for cod in the eastern Baltic Sea has been set at 39,000 MT with a temporary closure of four and a half months. For the western cod stock, a closure of two months has been decided. Three additional zones in the Baltic Sea will be closed all year round to cod fisheries.

North Sea, Skagerrak and Kattegat, West of Scotland, English Channel, Irish Sea: Instead of closing certain areas in the North Sea, the number of days at sea for the white fish vessels has been reduced by one day, except for the west of Scotland where the reduction will be two days.

The table below shows the fishing effort limitations for cod, defined according to fishing gear and fishing area:

Maximum days at sea per month	Fishing Gear					
Areas	**A**	**B**	**C**	**D**	**E**	**F**
Kattegat	9	13	13	16	21	19
North Sea and Skagerrak	9	13	13	16	21	19
West of Scotland	8	13	13	16	21	19
English Channel	9	13	13	16	21	19
Irish Sea	10	13	13	16	21	19

A = demersal trawls, seines or similar towed gears of mesh size equal to or greater than 100 mm except for beam trawls;
B = beam trawls of mesh size equal to or greater than 80 mm;
C = static demersal nets including gill nets, trammel nets and tangle nets;
D = demersal long lines
E = demersal trawls, seines or similar towed gears of mesh size between 70 mm and 99 mm except beam trawls with mesh size between 80 mm and 99 mm;
F = demersal trawls, seines or similar towed gears of mesh size between 16 mm and 31 mm except beam trawls;

In order to encourage the use of more selective gear, vessels using mesh size of 120 mm (described in point A above) will receive one extra day (3 days in Skagerrak and Kattegat), provided that the member states concerned develop in 2005 a system of automatic suspension of fishing licenses in case of infringements and are prepared to support closed areas in waters where they are fishing when scientific advice indicates that existing effort control measures are not sufficient to achieve recovery plan objectives.

The Council agreed to an effort control scheme for the sole stock in the Western Channel, restricting vessels targeting sole to 20 days at sea per month.

Iberian Peninsula: An effort control scheme has been agreed to for the southern hake stock. Vessels that caught more than 5 tons of hake in any of the years 2001, 2002 or 2003 will be allocated 22 days at sea. Portuguese vessels will be limited to 24 days per month for 11 months with one month of complete closure.

The Council agreed to adopt by May 2005, a recovery plan for hake and Norway lobster. The recovery plan will be subject to the opinion of the European Parliament.

The TACs for 2005 were published as Council Regulation 27/2005 in Official Journal L12 of January 14, 2005.

Deep-sea fish stocks: The TACs for 2005 will only be cut by 15% and not by 50% as originally proposed and there will be a 10% cut in fishing effort levels based on the actual effort deployed by vessels catching deep-sea fish in 2003 (Council Regulations 2269/2004 and 2270/2004). Catch limitations have been agreed for a number of deep-sea stocks not previously covered by TACs.

Control and Enforcement

Strengthening enforcement and making it more uniform throughout the EU is one of the objectives of the reformed CFP. According to Fisheries Commissioner Borg, stocks would have been in a much better state if everybody had played fair and applied the fisheries rules. In July 2004, the European Commission published its second edition of the Common Fisheries Policy Scoreboard. It showed that while there had been some progress in member states' transmission of data for 2003, substantial improvements are required to conserve fish stocks. The scoreboard is available at http://europa.eu.int/comm/fisheries/scoreboard/index_en.htm.

To improve compliance, the Commission will present proposals on better enforcement of the control measures in relation to the recovery plan for cod. These measures would include the obligation to land cod in designated ports and the threshold will be decreased from 2 to 1 ton. A doubling of the percentage of cod landings will have to be inspected. Transshipment of cod at sea (transfer from one vessel to another) will be forbidden. The Council and the Commission also agreed to develop in 2005, measures on the issuing and withdrawal of licenses to encourage better behavior from the fishermen.

Recovery Plans for Endangered Stocks

Under the 2002 CFP reform, it was agreed to apply a precautionary multi-annual approach to fisheries management. So far, long-term recovery measures have been adopted for northern hake (Council Regulation 811/2004) and cod in the North Sea, Kattegat and Skagerrak, eastern Channel, west of Scotland and Irish Sea (Council Regulation 423/2004).

Proposals have been presented for the recovery of sole in the Western Channel and the Bay of Biscay (COM/2003/819) and for southern hake and Norway lobster in the Cantabrian Sea and western Iberian Peninsula (COM/2003/818). A long-term management plan will be set up for anchovy in the Bay of Biscay and cod in the Baltic Sea.

Market Intervention

Council Regulation 2132/2004 fixes for the fishing year 2005 the guide prices and Community producer prices for certain fishery products. The guide prices are set annually according to the average prices registered over the previous three years in representative ports. Market intervention mechanisms are activated when the prices of certain fish and shellfish products fall below a given level, i.e. the withdrawal price. The withdrawal price is determined annually by the European Commission and is based on the guide prices set by the Council. Intervention measures include financial aid for withdrawing products from the market (Commission Regulation 2258/2004) and private storage aid for frozen products that cannot be sold at the EU selling price and are temporarily withdrawn from the market (Commission Regulation 2262/2004). EU selling prices are also fixed annually and range from 70% to 90% of the guide prices (Commission Regulation 2258/2004 and 2259/2004).

TRADE AGREEMENTS

There are currently 22 bilateral fisheries agreements in force between the EU and third countries. The nature of the fisheries agreement varies in terms of the partner country. Reciprocity agreements - exchanging fishing opportunities in their respective waters - are usually concluded with Northern European countries which have the capacity to fully exploit their resources. Other countries, in particular African and Indian Ocean countries, who do not fully exploit their fishery resources, receive a financial contribution from the EU to access their fishing zones.

Agreements are in force with Angola, Cape Verde, Comoros, Ivory Coast, Gabon, Gambia, Greenland, Guinea, Guinea-Bissau, Kiribati, Madagascar, Mauritius, Mauritania, Mozambique, Sao Tome, Senegal, Seychelles, Solomon Islands, Faroe Islands, Iceland and Norway.

IMPORT POLICY

Third countries exporting fisheries products to the EU must have public health legislation and inspection systems in place equivalent to those in the EU. An EU certification guide giving an overview of required health certificates (GAIN report E34074) and a guidance document for third country authorities on the procedures to be followed when importing live animals and animal products into the EU can be downloaded from our website at www.useu.be/agri/usda.html.

Third countries from which the EU authorizes the import of fishery products and bivalve mollusks are classified into two categories. The first category consists of the so-called "fully-harmonized" countries that were audited by an EU inspection team and for which a specific decision has been taken under Council Directive 91/493/EEC (directive on production standards for fishery products) or under Council Directive 91/492/EEC (production standards for bivalve mollusks). The second category consists of the "pre-listed" countries. These countries have sanitary requirements and control systems equivalent to the EU's but have not yet been inspected by the EU's Food and Veterinary Office. Imports from pre-listed countries may be subject to additional national requirements and may only be marketed in the importing member state. The U.S.' seafood inspection system was audited in the summer of 2003 in order to move from the "pre-listed" countries category to the "fully-harmonized" countries category.

On January 1, 2006, the EU's new Food & Feed Controls Regulation (European Parliament and Council Regulation 882/2004) will enter into force. This regulation provides for a new procedure to draw up third-country list which means that the current authorization to import from pre-listed countries expires on December 31, 2005.

EU Audit of U.S. Seafood Inspection Systems

Commission Decision 97/296/EC, last amended by Decision 2004/359/EC, draws up the list of third countries from which the import of fishery products for human consumption is authorized. Commission Decision 97/20/EC, last amended by Decision 2002/469/EC, draws up the list of third countries authorized to export bivalve mollusks to the EU. The U.S. is included in the list of "pre-listed" countries, part II of the annex to both decisions. In order to move from the "pre-listed" countries group to the "fully-harmonized" countries group, the U.S.' seafood inspection system was audited by an EU inspection team in the summer of 2003.

The inspection was carried out in the context of the Veterinary Equivalency Agreement (VEA) that the EU concluded with the U.S. The objectives of the mission were to verify if the U.S.' food safety control programs and its enforcement provides the guarantees required in the VEA and to audit the implementation, control and enforcement of FDA's mandatory HACCP system that fishery product establishments have to carry out. In November 2004, the EU published its final report on the inspection mission. The U.S. has submitted comments on the inspection team's findings, however, and some areas of discrepancies still remain between the two sides. An action plan to be submitted by the U.S. to the EU should include a timetable for its completion and a review of the current U.S. fishery product establishments approved for export to the EU.

IMPORT CONTROLS & CERTIFICATION

Directive 97/78/EC, as amended, lays down principles for veterinary check on products imported from third countries. Inspections of consignments include: documentary check (health certificates), identity check (visual inspection to ensure consistency between certificates and product) and physical check (inspection of the product itself). Commission Regulation 136/2004 lays down procedures for veterinary checks at EU border inspection posts on imports from third countries.

Directive 2002/99/EC establishes animal health rules governing the production, processing, distribution and introduction of products of animal origin for human consumption, including aquaculture products. Chapter II relates to imports from third countries. Directive 2002/99/EC is part of the EU's new "food hygiene package" and entered into force on January 1, 2005. More information on the EU's new food hygiene rules can be found on www.useu.be/agri/foodsafe.html.

Each shipment must be accompanied by a health certificate using the model provided by Commission Decision 2001/67/EC for fishery products and by Commission Decision 96/333/EC for mollusks, echinoderms, tunicates and marine gastropods. Certificates in the different official EU languages, in pdf-format, can be downloaded from the Food & Drug Administration's (FDA) website at www.cfsan.fda.gov/~dms/eucert.html. In the U.S., both the FDA and the National Marine Fisheries Service (NMFS) have the authority to issue certificates for export to the EU.

Commission Decision 2003/858/EC, as amended, lays down the animal health conditions and verification requirements for imports of live fish, their eggs and gametes intended for farming, and live fish of aquaculture origin and products thereof intended for human consumption. Commission Decision 2003/804/EC lays down the animal health conditions and certification requirements for imports of mollusks, their eggs and gametes for further growth, fattening, relaying or human consumption. Information on certification can be obtained from NMFS and APHIS (Animal & Plant Health Inspection Service).

Links to the referenced legislation can be found on our website at www.useu.be/agri/seafood2.html.

CONTAMINANTS / RESIDUES

According to the European Commission 2003 report on the functioning of the Rapid Alert System for Food and Feed (RASFF), 24 percent of information notifications concerned fish, crustaceans and mollusks. Information notifications generally concern food consignments from third countries that were tested at the border and rejected upon detection of a certain risk. The main hazards included seafood contaminated with heavy metals (cadmium and mercury) and residues of veterinary medical products.

Commission Regulation 466/2001, as amended, sets out maximum levels for certain contaminants in foodstuffs, incl. fishery products. Commission Regulation 221/2002 (amendment to Regulation 466/2001) covers heavy metals lead, cadmium and mercury. Information on contaminants can be found at www.useu.be/agri/pesticides.html.

The monitoring of residues of veterinary drugs and other chemicals in animals and animal products, including aquaculture, is addressed in Council Directive 96/23/EC. In order to export to the EU, third countries must submit residue-monitoring plans. The U.S. is included in the list established by Commission Decision 2004/685/EC on the approval of residue monitoring plans submitted by third countries.

NEW EU FOOD & FEED CONTROLS / FOOD HYGIENE RULES

Food & Feed Controls

A new regulation on official controls to ensure compliance with EU food and feed laws will enter into force on **January 1, 2006** (European Parliament and Council Regulation 882/2004). It will replace existing EU rules on control systems adopted separately for the animal feed sector, the food sector and the veterinary sector. The new regulation reorganizes official controls in all sectors and at all stages of production, processing and distribution, using the "farm to fork" principle. It provides a common approach with regard to controls on imports of food and feed from third countries and to the treatment of rejected shipments. Official controls will verify compliance of all food and feed with food and feed laws and rules on animal health. The new regulation also sets harmonized fees for veterinary checks on imported goods. More information can be found in GAIN report E34023 “Food and Feed Controls” and on our website at www.useu.be/agri/foodsafe.html.

Food Hygiene

In April 2004, the EU adopted the so-called “hygiene package”, a new set of rules that aims to merge, harmonize and simplify very detailed and complex hygiene requirements currently scattered over 17 directives. The overall aim is to create a single hygiene regime covering food and food operators in all sectors. General hygiene rules are laid down for the production of all food, while specific rules are laid down for meat and meat products, bivalve mollusks, fishery products, milk and dairy products, eggs and egg products, frogs' legs and snails, animal fats and greaves, gelatin and collagen. Imported products of animal origin must comply with the new hygiene rules.

Directive 2002/99/EC sets out the general principles for certification. Certificates must be issued in the official or one of the official languages of the member state of destination and those of the member state in which the border inspection takes place or must be accompanied by a certified translation. However, a member state **may** consent to the use of an official Community language other than its own. Exporters are advised to check with the competent authorities in the country of destination. Certificates must be signed BEFORE the consignment leaves the control of the competent authority in the country of origin otherwise the EU will not accept the goods. Regulation 852/2004 establishes general requirements for primary production, including HACCP. Regulation 853/2004 lays down specific hygiene rules for live bivalve mollusks, fishery and processed products. Regulation 854/2004 establishes specific rules for the organization of official controls on products of animal origin intended for human consumption.

The new hygiene rules will enter into force on January 1, 2006 except for Council Directive 2002/99/EC also called “hygiene 4” which enters into force on January 1, 2005. Once the new hygiene rules have entered into force, Directives 91/492/EEC and 91/493/EEC on the health conditions for the production and placing on the market of live bivalve mollusks and fishery products will be repealed.

Links to the new hygiene rules and to GAIN report E34015 on hygiene 4 “General requirements for veterinary certificates” can be found on our website at www.useu.be/agri/foodsafe.html.

TRACEABILITY

On January 1, 2005, general traceability became mandatory throughout the EU food system. Regulation EC/178/2002 sets out general provisions for traceability covering all food and food operators. The regulation defines traceability as the ability to trace and follow food through all the stages of production, processing and distribution. Although the regulation does not apply to third countries, EU importers must comply which means that they have to be able to identify the source of the product in the country of origin. EU importers are encouraging third country suppliers to use a bar coding system similar to the system used for internal EU purposes, such as the EAN 128 (European Article Numbering). Also see GAIN report E34091 and http://www.ean-int.org/index.php?http://www.ean-int.org/128.html&2.

IMPORT DUTIES & QUOTAS

Quotas

As part of the EU's reform of the Common Market Organization in fishery and aquaculture products, autonomous tariff quotas were opened for the period 2001-2003 (Council Regulation 2803/2000). In order to ensure continuation of supplies for the processing industry, the Commission adopted a successor quota regime for the period 2004-2006 (Council Regulation 379/2004). The in-quota tariff only applies when the customs value of the imported product is at least equal or higher than the reference price fixed by the EU (Commission Regulation 427/2004 for 2004, to be fixed for 2005).

Description	Quota Quantity	Rate of Duty (%)
Cod livers and fish livers of the species Boreogadus saida, fresh or chilled, for processing	300	0
Cod and fish of the species Boreogadus saida, salted or in brine, for processing	10 000	0
Tubes of squid, frozen, with skin and fins, for processing	30 000	3.5
Squid, frozen whole, tentacles and fins, for processing	1 500	3
Herrings, excl. livers and roes, for processing	20 000	0
Loins of tunas and skipjack, for processing	4 000	6
Herrings, spiced and/or vinegar-cured, in brine, for processing	6 000	6
Shrimps and prawns of the species Pandalus borealis, cooked and peeled, for processing	7 000	6
Cod, excl. lives and roes, fresh, chilled or frozen, for processing	50 000	0
Hake, frozen, for processing	20 000	0
Blue grenadier, fillets and other meat for processing	15 000	0
Rock lobster, frozen for processing	1 500	6
Southern blue whiting, frozen fillets and other meat for processing	2 000	0
Alaska Pollack, frozen for processing	10 000	0
Anchovies, salted or in brine, for processing	2 000	0
Surimi, frozen, for processing	30 000	0

Under the Uruguay Round Agreement, the EU agreed to open tariff quotas for certain commodities. The table below shows the WTO quotas for fish, as published in Annex 7 to the EU's 2005 Tariff Schedule (Commission Regulation 1810/2004):

Description	Quota Quantity (MT)	Rate of Duty (%)
Tunas (for the canning industry)	17 250	0
Herrings	34 000	0
Silver hake	2 000	8
Fish of the genus Coregonus	1 000	5.5
Fish of the genus Allocyttus and of the species Pseudocyttus maculates	200	0
Cod of the species Gadus morhua and Gadus ogac	25 000	0
Shrimps of the species Pandalus borealis, shelled, boiled, frozen, but not further processed	500	0

Tariffs

EU tariffs applicable to fish and processed fish products can be found in the EU's Tariff Schedule. Tariffs applicable as of January 1, 2005 were published in Official Journal L 327 and can be downloaded from the Internet at http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2004/l_327/l_32720041030en00010877.pdf. Chapter 3 relates to fresh, chilled and frozen fish, chapter 16 to processed fish products. Tariffs can also be looked up in the EU's on-line customs database which can be accessed through our website at www.useu.be/agri/customs.html.

MARKETING

Labeling

Regulation 2065/2001 establishes labeling requirements for fresh, chilled or frozen fishery and aquaculture products (products under Chapter 3 of the EU Tariff Schedule) intended for the retail sector. Information concerning the commercial designation, the production method and the catch area must be provided on the label, on the packaging or by means of a commercial document accompanying the product. The regulation can be downloaded from our website at www.useu.be/agri/seafood2.html.

Processed products must comply with the EU's general labeling directive 2000/13/EC. An amendment to this directive makes the labeling of all potential allergenic ingredients mandatory. The list of allergenic ingredients includes fish and products thereof and crustaceans and products thereof. As of November 25, 2005, the marketing of products not complying with the allergenic labeling requirements will be prohibited.

Packaging

Council Regulation 1935/2004 establishes requirements for materials and articles intended to come into contact with food. This new regulation takes a more modern approach to the principle that food contact materials should not interact with the food they contain. It allows the introduction of "active" and "intelligent" packaging and sets out the main requirements for their use. More information in GAIN report E34103 "Food Contact Materials – Active and Intelligent Packaging", available on our website at www.useu.be/agri/packaging.html.

Consumption

Fish has a positive image and is considered to be an essential ingredient in a healthy diet. Consumers are moving away from fresh fish and smoked and salted fish products in favor of ready-made meals. Convenience food products containing fish are becoming increasingly popular with the younger, working generations who are looking for more ready-to-eat and easy-to-use fisheries products. The preference for these types of products results in a changing demand for raw products and brings challenges that will have to be met by the fishing industry. The change in consumer behavior together with the increasing number of depleted fish stocks in EU waters, is also resulting in a substantial reliance on imports from third countries to respond to the needs of the EU market. However, the EU's strict sanitary and traceability requirements put a lot of pressure on the EU's processing industry and the supplying third countries.

EU 1999 consumption figures were included in GAIN report E24009. Updated EU consumption figures are not yet available.

Organic Seafood

Demand for organic seafood is increasing because of health and environmental concerns. At Biofach 2004, the international trade fair for organic products, experts from different countries discussed the need for standards on organic aquaculture. Aquaculture production has full control over the entire production process (feed, quality of the water, stocking densities, use of chemicals/antibiotics) while capture fisheries cannot guarantee the same level of control. This means that organic seafood can only come from aquaculture and not from capture or wild fisheries. It was stressed that a major constraint in expanding the market for organic seafood is the lack of a universally accepted standard and that the EU needs to create a European label for organic aquaculture.

TRADE – GENERAL

The EU has one of the world's highest trade deficits in fish and fishery products. In 2003, EU imports of fish and fishery products totaled EUR 11.8 billion while exports totaled EUR 1.9 billion, a trade deficit of EUR 9.9 billion. In terms of volume, the EU imported 3.9 million MT of fish and fishery products and exported 1.5 million MT, a deficit of 2.4 million MT. Norway was again the leading supplier of fish and fishery products, accounting for 15.6% of total EU imports. Other main origins were Iceland, China, Argentina, U.S., Morocco, Russia, Faroe Isles, Thailand and India. The EU's main export destinations were Nigeria, Russia, China, Ivory Coast, Egypt, Seychelles, Japan and Poland.

China managed to recover its position as one of the main suppliers to the EU when the EU ban on imports from China was lifted. Imports of products of animal origin originating in China had been banned following the detection of residues of veterinary drugs.

Trade – EU/World

In CY 2003, total EU imports of fishery products amounted to 3.9 million MT, a 5% increase compared to 2002. Spain is the leading importing member state (25%), followed by Denmark (14%), U.K. (12%) and Germany (11%). The Netherlands (33%) and Spain (21%) are still the main exporting member states.

The EU has to rely more and more on imports from third countries for its processing industry. In 2003, 80% of total EU fish imports were non-processed fishery products. Fish fillets and other fish meat (HS code 0304) are the main imported fishery products and represent 22% of total EU fish imports. In this category, 10% of total EU imports came from the U.S.

Of the major EU importing member states, Spain is mainly importing frozen fish, crustaceans and mollusks (72% of its fishery products imports), Denmark fresh or chilled fish (49%), Germany fish fillets and other fish meat (61%) and U.K. prepared or preserved fish and fish fillets and other fish meat (60%).

TOTAL EU IMPORTS, BY HS-CODE, CY 2003			
HS Code	**Description**	**Metric Tons**	**1000 EUR**
0302	Fresh or chilled fish	575 858	1 439 717
0303	Frozen fish	595 118	1 015 426
0304	Fish fillets & other fish meat	876 378	2 577 892
0305	Dried & salted fish	167 820	812 545
0306	Crustaceans	443 053	2 402 137
0307	Mollusks	521 787	1 379 398
1604	Prepared or preserved fish	636 000	1 599 870
1605	Prepared or preserved crustaceans & mollusks	142 385	673 637
Total		**3 958 398**	**11 810 620**

Source: Eurostat

Trade – EU/US

In CY 2003, 4.3% of the EU's total imports of fish and fishery products originated in the U.S. The U.S. supplied 168,264 MT of fish and fishery products to the EU, with a value of EUR 472 million. Products under HS heading 0304 "fish fillets and other fish meat" accounted for 10%. In this category, imports of Alaska Pollack were the most significant.

U.S. MARKET SHARE OF TOTAL EU IMPORTS, CY 2003 – Metric Tons				
HS Code	**Description**	**Imports from all third countries**	**Imports from U.S.**	**% Share**
0302	Fresh or chilled fish	575 858	3 007	0.5
0303	Frozen fish	595 118	34 451	5.8
0304	Fish fillets & other fish meat	876 378	88 132	10
0305	Dried & salted fish	167 820	4 014	2.4
0306	Crustaceans	443 053	6 882	1.6
0307	Mollusks	521 787	11 682	2.2
1604	Prepared or preserved fish	636 000	18 978	3
1605	Prepared or preserved crustaceans & mollusks	142 385	1 119	0.8
Total		**3 958 398**	**168 264**	**4.3**

Source: Eurostat

The four major EU importers of U.S. fishery products are Germany (22% of EU imports from the U.S.), France (20%), Spain (17%) and U.K. (16%).

EU IMPORTS OF U.S. FISHERY PRODUCTS, BY MEMBER STATE (Metric Tons) HS Chapters 0302 + 0303 + 0304 + 0305 + 0306 + 0307 + 1604 + 1605	
France	**32 920**
Netherlands	12 325
Germany	**37 449**
Italy	5 394
U.K.	**27 236**
Ireland	232
Denmark	7 855
Greece	1 653
Portugal	10 781
Spain	**28 835**
Belgium	2 467
Luxembourg	6
Sweden	1 070
Finland	43
Austria	5
TOTAL EU-15	**168 264**

Source: Eurostat

Significant volumes of frozen albacore were imported by Spain; of Alaska Pollack by Germany, France and U.K.; of surimi by France and Spain and of canned salmon by U.K. Italy, France and Spain were the main importers of live U.S. lobster.

MAIN U.S. FISH & FISHERY PRODUCTS - BY MAJOR IMPORTING EU MEMBER STATES – CY 2003				
Product	**CN Code**	**Member State**	**Volume (MT)**	**Value (1,000 EUR)**
Frozen whole albacore/longfinned tuna for processing	0303 41 11	Spain	10 530	18 006
Frozen fillets of Alaska Pollack	0304 20 85	Germany France U.K.	31 146 7 730 7 096	65 543 16 784 15 419
Frozen meat of Alaska Pollack	0304 90 61	Germany U.K. France	2 555 2 241 2 157	2 922 3 089 2 486
Surimi	0304 90 05	France Spain	8 510 3 893	15 182 6 996
Canned Salmon	1604 11 00	U.K.	13 805	48 374
Live Lobster	0306 22 10	Italy Spain France	2 662 1 559 1 549	33 487 18 603 19 240

Source: Eurostat

TOTAL EU IMPORTS OF U.S. FISH & FISHERY PRODUCTS – BY CATEGORY – CY 2003		
Category	**Metric Tons**	**Value (1,000 EUR)**
Salmon	16 772	28 765
Canned Salmon	16 952	56 371
Groundfish	18 652	40 123
Groundfish Fillets	58 338	122 541
Flatfish	379	1 667
Lobster	6 723	83 505
Squid / Cuttlefish	7 651	12 480

Source: Eurostat

In calendar year 2003, the U.S. was one of the main suppliers to the EU of canned salmon groundfish fillets and lobster. EU imports from the U.S. and its share of total EU imports were as follows: salmon 16,772 MT (6%), canned salmon 16,952 MT (60%), groundfish 18,652 MT (6%), groundfish fillets 58,338 MT (15%), flatfish 379 MT (1%), lobster 6,723 MT (32%) and squid/cuttlefish 7,651 MT (3%).

In 2003, EU imports of groundfish fillets from the U.S. fell by almost 30%. EU imports from the U.S. had almost doubled in 2002 when imports of certain fishery products from China were banned following the detection of the antibiotic chloramphenicol. The ban was lifted in 2002 allowing China to resume its position as leading supplier to the EU in 2003.

The U.S. is one of the major suppliers of lobster to the EU with Canada being its main competitor. In 2003, the U.S. supplied 6,723 MT of lobster to the EU with a value of EUR 84 million. The most significant decrease was noted for lobster from Cuba (-38%) and Peru (-24%).

With a market share of 82%, Norway dominates the EU market for fresh salmon. Imports from Norway increased by 14% compared to 2002, while imports from Chile decreased by 83%. Chile is moving from exporting fresh salmon parts for the processing industry to canning the salmon themselves. The U.S. lost 27% of its share of the EU canned salmon market to Thailand and China.

SECTION II: STATISTICAL TABLES

EU-15 IMPORTS AND EXPORTS OF FISH AND FISH PRODUCTS: JANUARY - DECEMBER 2003 & 2002 (Source: Eurostat)

Product: Salmon (excl. fillets) (in Metric Tons)					
Destination	**Exports from the EU-15**		**Origin**	**Imports into the EU-15**	
	2003	**2002**		**2003**	**2002**
U.S.	13 968	6 100	U.S.	16 772	17 160
Japan	3 371	1 503	Norway	246 060	216 264
Canada	1 056		Faroe Isles	31 076	28 707
Switzerland	783	668	Canada	4 932	3 395
Taiwan	768	316	Iceland	1 060	328
Lebanon	476	328	China	577	111
Bulgaria	342		Poland	425	488
Czech Rep.	335	392	Chile	271	1 586
Sth Korea	287		Argentina	37	
Russia	275	923	Colombia	33	116
Total third countries	24 508	13 237	Total third countries	301 405	268 481

Product: Canned Salmon (in Metric Tons)					
Destination	**Exports from the EU-15**		**Origin**	**Imports into the EU-15**	
	2003	**2002**		**2003**	**2002**
U.S.	47	33	U.S.	16 952	23 082
Switzerland	96	89	Canada	8 388	9 287
Norway	39	70	Thailand	1 094	739
Hungary	24	15	Chile	783	800
Slovenia	21		Norway	562	679
Hong Kong	17		China	198	
Singapore	17		Sth Korea	192	374
Russia	15	16	Iceland	58	69
Malta	13		Malaysia	47	
Australia	13		Poland	30	49
Total third countries	454	399	Total third countries	28 375	35 269

Product: Groundfish (in Metric Tons)					
Destination	Exports from the EU-15		Origin	Imports into the EU-15	
	2003	2002		2003	2002
U.S.	307	292	U.S.	18 652	15 582
China	6 805	1 854	Norway	64 276	57 226
Algeria	2 783	1 229	Russia	60 173	71 244
Jordan	2 316	870	Faroe Isles	35 813	33 283
Ukraine	1 727		Sth Africa	35 487	37 450
Israel	1 666	343	Namibia	22 493	27 516
Lithuania	1 615	297	Chile	19 534	19 820
Canada	992	317	Argentina	19 242	20 551
Russia	712		Iceland	16 936	11 657
Croatia	516		Canada	7 165	9 291
Total third countries	24 055	9 031	Total third countries	325 825	325 292

Product: Groundfish Fillets (in Metric Tons)					
Destination	Exports from the EU-15		Origin	Imports into the EU-15	
	2003	2002		2003	2002
U.S.	511	1 050	U.S.	58 338	83 214
Switzerland	1 193	1 224	China	114 527	70 247
Norway	669	430	Russia	59 842	70 758
China	453	138	Iceland	52 548	46 821
Russia	387	258	Norway	38 355	38 110
Algeria	287	331	Faroe Isles	18 070	22 428
Slovakia	271	103	Poland	14 988	12 397
Iceland	225		Chile	12 254	12 231
Poland	200	214	Lithuania	2 525	
Czech Rep.	171	321	Greenland	1 865	1 884
Total third countries	5 754	5 337	Total third countries	380 466	376 189

Product: Flatfish (in Metric Tons)					
Destination	Exports from the EU-15		Origin	Imports into the EU-15	
	2003	2002		2003	2002
U.S.	964	2 287	U.S.	379	324
Taiwan	7 189	4 455	Greenland	12 978	7 887
Japan	7 010	8 356	Norway	7 340	7 899
China	5 053	4 490	Morocco	6 651	6 035
Hong Kong	1 683	882	Faroe Isles	4 058	3 864
Morocco	982	730	Iceland	3 831	2 793
Malta	351		Senegal	3 608	1 968
Sth Korea	338	284	Mauritania	1 573	2 554
Switzerland	291	330	China	1 380	1 181
Poland	283	2 173	Sth Korea	1 165	
Total third countries	25 441	26 327	Total third countries	46 515	39 355

Product: Lobster (in Metric Tons)					
Destination	**Exports from the EU-15**		**Origin**	**Imports into the EU-15**	
	2003	**2002**		**2003**	**2002**
U.S.	11	27	U.S.	6 723	6 688
Japan	306	349	Canada	7 811	7 556
Sth Korea	68	24	Cuba	2 070	3 337
Switzerland	48	32	Bahamas	1 030	892
China	35	25	Sth Africa	326	212
Russia	33	6	El Salvador	263	250
Norway	28	51	Australia	259	
Canada	12		Morocco	250	272
Czech Rep.	11	13	Mauritania	168	149
Slovenia	10		Peru	155	203
Total third countries	634	627	Total third countries	20 910	20 925

Product: Squid / Cuttlefish (in Metric Tons)					
Destination	**Exports from the EU-15**		**Origin**	**Imports into the EU-15**	
	2003	**2002**		**2003**	**2002**
U.S.	152	111	U.S.	7 651	12 220
Croatia	4 251	4 762	India	55 253	48 507
Slovenia	1 689	1 747	Falkland Isl.	41 721	33 076
China	1 238	568	Thailand	40 127	34 363
Sth Africa	1 146	1 249	Peru	16 929	8 114
Turkey	1 091	711	China	16 840	14 805
Algeria	664	694	New Zealand	12 891	12 959
Russia	438	480	Morocco	12 397	21 852
Japan	363	721	Sth Africa	10 592	7 144
Switzerland	310		Vietnam	9 326	5 773
Total third countries	14 428	15 439	Total third countries	274 208	242 254

GLOSSARY & SOURCES

APHIS	Animal & Plant Health Inspection Service
CFP	Common Fisheries Policy
CN	Combined Nomenclature (tariff codes)
CY	Calendar Year
DG	Directorate General
EAN	European Article Numbering
EU	European Union
FDA	Food & Drug Administration
HS	Harmonized System (tariff codes)
HACCP	Hazard Analysis and Critical Control Point
ICES	International Council for the Exploration of the Sea
MT	Metric Ton (1000 kg)
NMFS	National Marine Fisheries Service
NSRAC	North Sea Regional Advisory Council
STECF	Scientific, Technical and Economic Committee on Fisheries
TAC	Total Allowable Catch
U.K.	United Kingdom
U.S.	United States
VEA	Veterinary Equivalency Agreement
WTO	World Trade Organization
WWF	World Wide Fund for Nature

Exchange Rates:
2003: 1 Euro = 1.130865 U.S. Dollar
2002: 1 Euro = 0.944905 U.S. Dollar

EU Legislation:
The referenced legislation can be downloaded from the Internet at http://europa.eu.int/eur-lex/lex/en/index.htm.

Sources:
European Commission – DG Fisheries, DG Health & Consumer Protection
Eurostat
Seafood International

Visit our website: our website **www.useu.be/agri/usda.html** provides a broad range of useful information on EU import rules and food laws and allows easy access to USEU reports, trade information and other practical information.

EU Fishery Products reports prepared by the individual EU member states and information on EU seafood import regulations can be found on our website at www.useu.be/agri/seafood2.html.

E-mail: AgUSEUBrussels@usda.gov.

Related reports from USEU Brussels:

Report Number	Title	Date Released
E34041	New European Fisheries Fund	7/30/2004

E34007	Common Fisheries Policy – New EU member states	4/29/2004
E24009	EU Annual Fishery Products Report	1/14/2004
These reports can be accessed through our website www.useu.be/agri or through the FAS website http://www.fas.usda.gov/scriptsw/attacherep/default.asp.		